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Legislative District 40
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—
Finance Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Friday, March 8, 2024

Testimony in Support of Senate Bill 1006 Hospitals - Medical Debt Collection - Sale of Patient Debt

Dear Chairwoman Beidle and esteemed members of the Senate Finance Committee,

I am writing to strongly endorse Senate Bill 1006, which will allow for local governments and other select entities to purchase certain medical debt for the express purpose of canceling that debt. This emergency bill authorizes a hospital to sell debt owed by a patient for hospital services to a governmental unit or entity that is under contract with the unit for the sole purpose of canceling the debt.

The contract between the hospital and the governmental unit or contractor purchasing the debt must (1) state that the sole purpose of the sale of the debt is to cancel the debt and (2) include a written agreement from the patient allowing the debt to be sold.

The patient is not responsible to the hospital, the governmental unit, or the contractor for any amount of the debt that is sold, or any interest, fees, or costs associated with the debt or the sale. The Health Services Cost Review Commission (HSCRC) must treat the amount of payments to hospitals for debt as an offset to uncompensated care amounts reported by hospitals. The bill terminates on December 31, 2026.

I appreciate your attention to this important matter and urge you to support the passage of Senate Bill 1006.

Respectfully,

A handwritten signature in blue ink, appearing to read "Antonio L. Hayes".

Senator Antonio L. Hayes
40th Legislative District – MD